

**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF SOUTH PASADENA
CONVENED THIS 18TH DAY OF JANUARY, 2012 7:39 P.M.
AMEDEE O. "DICK" RICHARDS, JR., COUNCIL CHAMBERS
1424 MISSION STREET**

**ROLL CALL, INVOCATION,
PLEDGE OF ALLEGIANCE**

Mayor Cacciotti convened the regular meeting of the City Council and the Community Redevelopment Agency at 7:39 p.m. City Clerk Kilby called the roll. City Councilmembers present: Joe and Schneider; Mayor Pro Tem Putnam; and Mayor Cacciotti. City Councilmembers absent: Khubesrian. Other officials present: Interim City Manager Gonzalez; City Attorney Adams; Police Chief Payne; Fire Chief Wallace; Finance Director Thai; City Librarian Fjeldsted; Public Works Director Toor; Planning and Building Department Director Watkins; Transportation Manager Woods; Community Services Supervisor Braun; City Prosecutor Jenkins; Assistant Finance Director Batt; Human Resources Manager Cody; Senior Planner Mayer; Police Sergeant Neff; and City Clerk Kilby.

Councilmember Joe offered the invocation and led the Pledge of Allegiance.

**CLOSED SESSION
ANNOUNCEMENTS**

There was no Closed Session.

**PRESENTATION OF THE
2010-11 ANNUAL REPORT
OF THE LIBRARY BOARD
OF TRUSTEES**

Ann Penn, President, Library Board of Trustees, presented the 2010-11 Annual Report of the Board. Councilmember Joe expressed appreciation for the joint efforts of the Board, the Friends of the Library, and City Librarian Fjeldsted and staff to build such an active library program. Mayor Cacciotti thanked the Board for its work.

**COUNCILMEMBERS'
COMMENTS**

Councilmembers made remarks and announced upcoming events. Councilmember Joe expressed appreciation for those supporting the Nature Park, particularly Community Services Director Pautsch, City Arborist Cardenas, and volunteer Barbara Eisenstein.

Councilmember Schneider announced a planting party at the Nature Park January 28, 2012. He said numerous groups will be participating.

Councilmember Schneider requested that an item be added to the next agenda to discuss and approve the City's comments regarding the Southern California Association of Government's Regional Transportation Plan (RTP), which are due February 14, 2012. He discussed issues that need to be addressed. His request was seconded by Mayor Cacciotti, who noted that at the last meeting, he requested that advisors Antonio Rossmann and Mike Roos be engaged to prepare a response. Interim City Manager Gonzalez said that a draft letter is being prepared, and that this will be brought back for City Council approval at the February 1, 2012, meeting. Points made by Councilmember Schneider tonight will be incorporated, he said, and both advisors are working on the letter.

Mayor Pro Tem Putnam requested that Interim City Manager Gonzalez provide a status report on the windstorm debris cleanup. He said that residents are now dumping yard debris and furniture into the street.

Mayor Cacciotti introduced Community Services Supervisor Braun, who announced publication of a parks brochure that contains walking trails in the City and their distances. She also described pedometers available at no charge to track walking.

Mayor Cacciotti requested that a committee to examine the stables lease agreement renewal be established in 2013 prior to the agreement's expiration in 2018, seconded by Councilmember Schneider.

Mayor Cacciotti introduced Ronald Garcia, Region Manager, Public Affairs, Southern California Edison, who warned about the dangers of touching downed power lines. He showed a brief public service announcement on the issue on the overhead monitors. He said he is pleased that the City is playing this on the City's cable TV channels. He distributed a fact sheet.

Councilmember Joe asked about the City's participation in an upcoming California Public Utilities Commission hearing on the windstorm in Temple City on January 26, 2012. Interim City Manager Gonzalez said Public Works staff and the Police Chief will attend.

Councilmember Joe requested adding to a future agenda a status report on massage parlors, seconded by Mayor Cacciotti.

**CITY MANAGER
COMMUNICATIONS**

In regard to the windstorm cleanup, Interim City Manager Gonzalez said that this will be completed in three weeks. He said work is continuing six days a week. Expenses have totaled \$400,000 to date, he said. Public Works Director Toor said a cleanup log is maintained. He and Interim City Manager Gonzalez responded to questions.

Interim City Manager Gonzalez announced that the meeting is being web streamed live via the Internet and will be available via the City website following the meeting.

Interim City Manager Gonzalez introduced Police Chief Payne, who reported on an increase in property crime in the City. He described the results of a recent "realignment" of state prisoners and the impact on crime rates. He advised members of the public to be vigilant and to notify the Police whenever they observe any suspicious behavior. He responded to questions.

**ITEMS REMOVED FROM
CONSENT CALENDAR**

Councilmember Schneider requested removing Item #12, Award of Contract, sewer system asset management software, from the Consent Calendar for separate consideration. Councilmember Joe requested removing Item #7, Award of Contract, construction management; Item #13, Acquisition of armored rescue vehicle; and Item #18, redevelopment-related resolutions, from the Consent Calendar for separate consideration. A member of the public requested removing Item #9, Annual Financial Report, from the Consent Calendar.

Mayor Pro Tem Putnam said he would be recusing himself from Item #15, Notice of Completion, Park Avenue Sewer Improvement Project, due to a conflict of interest.

**APPROVAL OF THE
MINUTES OF THE
REGULAR MEETING OF
JANUARY 4, 2012**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesian), the City Council, and the City Council seated as the Community Redevelopment Agency (CRA), approved the minutes of the regular meeting

of January 4, 2012.

(Joe, Schneider)

**APPROVAL OF PREPAID
WARRANTS IN THE
AMOUNT OF \$672,325.12,
GENERAL CITY
WARRANTS IN THE
AMOUNT OF \$237,316.60
AND PAYROLL IN THE
AMOUNT OF \$438,842.34**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council approved Prepaid Warrants #171235-171305; General City Warrants #171306-171430, and payroll 01-06-12, for a total of \$1,348,484.06. The City Council, seated as the Community Redevelopment Agency (CRA), approved the CRA warrants for \$4,393.05.

(Joe, Schneider)

**AUTHORIZE CITY
MANAGER TO AWARD
CONTRACT IN THE
AMOUNT OF \$92,465.00 TO
COMMLINE, INC. FOR THE
PURCHASE OF PORTABLE
RADIOS FOR THE FIRE
DEPARTMENT, \$137,812.09
TO COMMLINE, INC. FOR
THE PURCHASE OF POR-
TABLE RADIOS FOR THE
POLICE DEPARTMENT
AND \$12,187.91 TO
TACTICAL COMMAND
INDUSTRIES, INC. FOR
RADIO HEADSETS USING
2008 STATE HOMELAND
SECURITY GRANT FUNDS**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council authorized the City Manager to award the following contracts using 2008 State Homeland Security Grant Program Funds: \$92,465 to Commline, Inc., for portable radios, accessories and programming; \$137,812.09 to Commline, Inc., for portable radios, accessories and programming; and \$12,187.91 to Tactical Command Industries, Inc., for portable radio headsets.

(Joe, Schneider)

**REQUEST FROM THE
SOUTH PASADENA CHAM-
BER OF COMMERCE FOR
CITY TO CO-SPONSOR
AND WAIVE THE
ASSOCIATED CITY FEES
FOR THE ECLECTIC
MUSIC FESTIVAL & ART
WALK EVENT ON
SATURDAY, MAY 5, 2012**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council approved City co-sponsorship of the *Eclectic Music Festival & Art Walk* Event on May 5, 2012, organized by the South Pasadena Chamber of Commerce; and waived the associated City fees in the amount of \$865.

(Joe, Schneider)

**AWARD OF CONTRACT IN
THE AMOUNT OF \$36,620
TO UTILITY SYSTEMS**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council accepted a proposal dated December 20, 2011, from Utility Systems

**SCIENCE AND SOFTWARE
FOR CITYWIDE SEWER
FLOW MONITORING AND
DATA ANALYSIS
SERVICES**

Science and Software (US3) for the rental and installation of eight sewer flowmeters, and the associated monitoring and analysis of flow data; rejected all other proposals received; authorized a budget transfer of \$36,620 from the Sewer Fund balance to account 210-9000-9390 to fund the study; and authorized the City Manager to execute an agreement with US3 for a not-to-exceed amount of \$36,620.

(Joe, Schneider)

**ACCEPTANCE OF
PROJECT COMPLETION
AND AUTHORIZATION TO
FILE A NOTICE OF
COMPLETION FOR THE
POLICE DEPARTMENT AIR
CONDITIONING UNIT
REPLACEMENT PROJECT,
AND AUTHORIZATION TO
RELEASE RETENTION
PAYMENT IN THE
AMOUNT OF \$1,800 TO F.M.
THOMAS AIR
CONDITIONING, INC.**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council accepted the project improvements for the Police Department Air Conditioning Unit Replacement Project; authorized the issuance of a Notice of Completion for the project; and authorized payment of the retention to F.M. Thomas Air Conditioning, Inc., in the amount of \$1,800.

(Joe, Schneider)

**ACCEPTANCE OF
PROJECT COMPLETION
AND AUTHORIZATION TO
FILE A NOTICE OF
COMPLETION FOR THE
PARK AVENUE SEWER
IMPROVEMENT PROJECT,
AND AUTHORIZATION TO
RELEASE RETENTION
PAYMENT IN THE
AMOUNT OF \$12,883 TO
TOMOVICH AND
ASSOCIATES**

By roll call vote (3 ayes; 1 recused due to conflict of interest, Mayor Pro Tem Putnam; 1 absent, Councilmember Khubesrian), the City Council accepted the project improvements and authorized the issuance of a Notice of Completion for the Park Avenue Sewer Improvement Project; authorized a budget transfer in the amount of \$40,834 from Sewer Fund reserves to account 210-9000-9374 to cover the cost of the work; and authorized payment of the retention to Tomovich and Associates in the amount of \$12,883.

(Joe, Schneider)

**APPROVAL TO CANCEL
REGULARLY SCHEDULED
CITY COUNCIL MEETINGS
OF APRIL 4, 2012, AND
JULY 4, 2012**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council approved cancelling the regularly scheduled City Council meetings of April 4, 2012, due to the school spring break, and July 4, 2012, due to the meeting falling on a national holiday.

(Joe, Schneider)

**SECOND READING AND
ADOPTION OF
ORDINANCE NO. 2226
TO PERMIT CHANGING
THE START TIME OF
REGULAR CITY COUNCIL
MEETINGS BY
RESOLUTION AND
ADOPTION OF
RESOLUTION NO. 7206
ESTABLISHING 7:00 P.M.
AS THE START TIME FOR
OPEN SESSION AND 6:00
P.M. AS THE START TIME
FOR CLOSED SESSION OF
REGULAR CITY COUNCIL
MEETINGS**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesian), the City Council read by title only for second reading, waiving further reading, and adopted Ordinance No. 2226, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING SECTION 2.1 (PLACE AND TIME OF COUNCIL MEETINGS) OF ARTICLE I (IN GENERAL) OF CHAPTER 2 (ADMINISTRATION) OF THE SOUTH PASADENA MUNICIPAL CODE TO PROVIDE THAT THE TIME FOR THE COMMENCEMENT OF THE REGULAR COUNCIL MEETINGS BE SET BY RESOLUTION; adopted the proposed resolution setting the start time of regularly scheduled City Council meetings as 7:00 p.m. for open session and 6:00 p.m. for closed session, Resolution No. 7206, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, MODIFYING THE START TIME FOR REGULAR CITY COUNCIL MEETINGS; and adopted a policy whereby no agenda items may be taken up after 10:30 p.m. during City Council meetings.

(Joe, Schneider)

**MONTHLY INVESTMENT
REPORTS FOR NOVEMBER
2011**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesian), the City Council, and the City Council seated as the Community Redevelopment Agency (CRA), approved to receive and file the monthly investment reports for November 2011.

(Joe, Schneider)

**AWARD OF CONTRACT IN
THE AMOUNT OF \$60,748
TO GK & ASSOCIATES FOR
CONSTRUCTION
MANAGEMENT AND
INSPECTION SERVICES
FOR THE PASADENA
AVENUE STREET
IMPROVEMENT PROJECT
AND THE ST.
ALBANS/BRUNSWICK**

Public Works Director Toor responded to questions posed by Councilmember Joe about the qualifications of GK & Associates for construction management and from Mayor Cacciotti about the estimates.

By roll call vote (4 ayes; 1 absent, Councilmember Khubesian), the City Council accepted a proposal dated January 5, 2012, from GK & Associates for construction management and inspection services for the Pasadena Avenue Street Improvement Project and the St. Albans/Brunswick Water Line Improvement

**WATER LINE
IMPROVEMENT PROJECT**

Project; rejected all other proposals received; and Authorized the City Manager to execute an agreement with GK & Associates for a not-to-exceed amount of \$60,748.

(Putnam, Joe)

**PRESENTATION OF THE
COMPREHENSIVE
ANNUAL FINANCIAL
REPORT FOR FISCAL
YEAR ENDING JUNE 30,
2011**

David Margrave, 928 Buena Vista Street, spoke about the unfunded liability of more than \$4 million faced by the City for its retirement costs. He urged the City Council to study the issue more thoroughly.

Assistant Finance Director Batt responded to questions. He said the Finance Committee will be returning to the City Council with recommendations on this issue. Councilmember Schneider said a two-page summary of the financial report will be sent to residents in the utility bill. Mr. Batt responded to additional questions.

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council approved to receive and file the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year ending June 30, 2011.

(Putnam, Joe)

**AWARD OF CONTRACT
FOR THE PURCHASE AND
IMPLEMENTATION
SERVICES OF A SEWER
SYSTEM ASSET
MANAGEMENT
SOFTWARE PROGRAM
FROM CARTEGRAPH
SYSTEMS, INC.**

Public Works Director Toor responded to questions posed by Councilmember Schneider about the award of a contract to Cartegraph Systems, Inc., for a sewer system asset management software program.

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council accepted a proposal dated December 6, 2011, from Cartegraph Systems, Inc., for the procurement of software and implementation services of a sewer asset management program; rejected all other proposals received; and authorized the City Manager to execute an agreement with Cartegraph Systems, Inc., for a not-to-exceed amount of \$25,086 for purchase and implementation services.

(Putnam, Joe)

**APPROVAL OF
ACQUISITION OF
ARMORED RESCUE
VEHICLE FROM THE
BURBANK POLICE
DEPARTMENT**

Police Chief Payne responded to questions posed by Councilmember Joe about the need for an armored rescue vehicle.

By voice vote (4 ayes; 1 absent, Councilmember Khubesian), the City Council approved the acquisition of a "Peacekeeper" armored rescue vehicle, at a nominal \$1.00 fee, from the Burbank Police Department.

(Putnam, Joe)

**ADOPTION OF A
RESOLUTION TO
ESTABLISH A
REDEVELOPMENT
OBLIGATION
RETIREMENT FUND
PURSUANT TO HEALTH &
SAFETY CODE SECTION
34170.5(A) AND ADOPTION
OF RESOLUTIONS ON
BEHALF OF EACH PUBLIC
AGENCY REGARDING
DEBT FORGIVENESS AS
REQUIRED BY HEALTH &
SAFETY CODE SECTION
33354.8**

Interim City Manager Gonzalez responded to questions posed by Councilmember Joe about the changes in the redevelopment environment as a result of the State's dissolution of redevelopment agencies. Interim City Manager Gonzalez noted that a correction has been made in the resolution pertaining to the Community Redevelopment Agency's forgiveness of loans; he said the corrected version (in which the second Whereas has been stricken) can be found in the Councilmembers' red folders. He, Assistant Finance Director Batt, and City Attorney Adams responded to additional questions.

**RESOLUTION NO. 7207
RESOLUTION NO. 7208
CRA RESOLUTION NO.
2012-01
HOUSING AUTHORITY
RESOLUTION NO. 2012-01**

By roll call vote (4 ayes; 1 absent, Councilmember Khubesian), the City Council adopted Resolution No. 7207, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, ESTABLISHING A REDEVELOPMENT OBLIGATION RETIREMENT FUND PURSUANT TO HEALTH & SAFETY CODE SECTION 34170.5(A); Resolution No. 7208, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, REGARDING FORGIVENESS OF LOANS TO PUBLIC BODIES AS REQUIRED BY AB 936, declaring that the City has not forgiven the repayment of a loan, advance or indebtedness; CRA Resolution No. 2012-01, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, SITTING AS THE BOARD OF DIRECTORS OF THE SOUTH PASADENA COMMUNITY REDEVELOPMENT AGENCY, REGARDING FORGIVENESS OF LOANS TO PUBLIC BODIES AS REQUIRED BY AB 936, as amended with the removal of the second WHEREAS from the proposed

resolution, declaring that the Agency has not forgiven the repayment of a loan, advance or indebtedness; and Housing Authority Resolution No. 2012-01 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, SITTING AS THE BOARD OF DIRECTORS OF THE SOUTH PASADENA HOUSING AUTHORITY, REGARDING FOR-GIVENESS OF LOANS TO PUBLIC BODIES AS REQUIRED BY AB 936, declaring that the Authority has not forgiven the repayment of a loan, advance or indebtedness.

(Putnam, Joe)

**ABSENCE OF
COUNCILMEMBER
KHUBESRIAN**

Mayor Cacciotti announced that Councilmember Khubesrian is absent due to her attendance at a League of California Cities' seminar for new councilmembers.

**PUBLIC COMMENT
AQMD Air Quality
Management Plan**

Rainbow Yeung, South Coast Air Quality Management District (AQMD), Diamond Bar, updated the City Council on the 2012 Air Quality Management Plan, which is a blueprint of AQMD's Clean-Air Policy. She invited the City Council to participate in the process by attending meetings and providing input. She provided a DVD of a recent AQMD film to play on cable TV channels. She responded to questions about AQMD's role in commenting on the Southern California Association of Government's Regional Transportation Plan.

Windstorm-related tree loss

Kim Hughes, 1956 Huntington Drive, Natural Resources and Environmental Commission, spoke about trees lost in the recent windstorm. She described plans to develop a survey to assess loss and to develop a long-range plan to replace the lost trees. She said progress is being made to create a fund to purchase trees.

**South Pasadena Convalescent
Hospital**

Sam Burgess, no address stated, asked the City Council to follow up on the status of the South Pasadena Convalescent Hospital.

Mayor Cacciotti requested that the status of the South Pasadena Convalescent Hospital be added to the agenda as soon as possible. No objections were voiced.

**PUBLIC HEARING
FIRST READING AND
INTRODUCTION OF AN
ORDINANCE TO AMEND
THE SOUTH PASADENA
MUNICIPAL CODE
REGARDING TIME LIMITS
FOR ZONING APPROVALS**

Senior Planner Mayer presented the staff report on the proposed ordinance regarding time limits for zoning approvals. He responded to questions.

Mayor Cacciotti opened the public hearing. No one came forward and he closed the public hearing.

By roll call vote (4 ayes; 1 absent, Councilmember Khubesian), the City Council read by title only for first reading, waiving further reading, and introduced AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, AMENDING SECTION 36.420.040 OF THE SOUTH PASADENA MUNICIPAL CODE TO MODIFY THE MILESTONES OF A ZONING APPROVAL AND TO ALLOW THE REVIEW AUTHORITY TO EXTEND THE TIME LIMITS OF A ZONING APPROVAL FROM 12 MONTHS UP TO 36 MONTHS PROVIDED A CERTAIN FINDING CAN BE MADE.

(Putnam, Schneider)

**PUBLIC HEARING
ADOPTION OF
RESOLUTION NO. 7209
ADOPTING THE 2006-2014
GENERAL PLAN HOUSING
ELEMENT UPDATE**

Planning and Building Department Director Watkins presented the staff report on adopting the 2006-2014 General Plan Housing Element Update, accompanied by PowerPoint slides. He and City Attorney Adams responded to questions. Councilmember Joe requested that a section be added to the proposed resolution stating that the Planning Commission recommended approval.

Mayor Cacciotti opened the public hearing.

Cynthia Vargas, 720 Garfield Avenue, said that as a resident and a lawyer, she found the Housing Element extremely difficult to understand. She expressed concern about eliminating the Planned Development Overlay Zone and Conditional Use Permits. She said Planned Development Permits (PDPs) are being used to circumvent established zoning laws. She opposed bringing existing non-conforming buildings into these zones. This type of permit has never been used to upset balances in the residential areas, she said. These are planned by developers, she said, not by anyone else in the City. She recommended bringing back Conditional Use Permits and the Planned Develop-

ment Overlay Zones.

Mayor Cacciotti closed the public hearing.

As directed by Mayor Cacciotti, Planning and Building Department Director Watkins responded to the speaker's concerns. He said that issues related to PDPs can be revisited at any time through a Code amendment. The Council, he said, can ask the Planning Commission to review the issues and provide recommendations. The PDP process can facilitate the provision of affordable housing, he said. Mr. Watkins said that these issues will be raised at the upcoming Planning Commission meeting on January 23, 2012, when a PDP project is being considered.

He introduced Debbie Lin, consultant, and he and Ms. Lin responded to questions. Discussion on PDPs continued, with the Council reviewing PDPs as listed on page 94 of the Housing Element. Mr. Watkins said PDPs are more permissive if the application qualifies for this type of project. The development must still comply with the zoning, he said.

Discussion continued on requirements for emergency shelters/Single Room Occupancy (SRO) facilities, and programs for the homeless.

If the Council remands the Housing Element back to the Planning Commission, Mr. Watkins said that very little could be changed if the Council desires certification. If the Council does not desire certification, the Housing Element adopted in April 2011 would serve as the Housing Element, he said, albeit uncertified.

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council adopted Resolution No. 7209, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA, CALIFORNIA, ADOPTING THE REVISED 2006-2014 GENERAL PLAN HOUSING ELEMENT UPDATE, with an addition to the proposed resolution as proposed by Councilmember Joe and approved by the maker and seconder of the motion to add a section stating that on December 5, 2011, the Planning Commission recommended adopting the proposed

General Plan Housing Element Update.

(Putnam, Schneider)

Mayor Cacciotti noted that it passed unanimously but reluctantly.

**MAYOR'S
APPOINTMENTS/
REAPPOINTMENTS**

Without objection, Mayor Cacciotti said that this item would be taken next.

By voice vote (4 ayes; 1 absent, Councilmember Khubesian), the City Council approved the following Mayor's nominations: Brendan Durrett was reappointed to the Library Board of Trustees for a three-year term until 12/31/2014; Alan Reynolds was appointed to the Freeway and Transportation Commission for a three-year term until 12/31/2014; William Sherman was appointed to the Freeway and Transportation Commission for an unfulfilled term until 12/31/2012; David Margrave was appointed to the Freeway and Transportation Commission for an unfulfilled term until 12/31/2013; Ronald Rosen was appointed to the Parks and Recreation Commission for an unfulfilled term until 12/31/2012; Conrado Lopez was appointed to the Design Review Board for an unfulfilled term until 12/31/2012; and Deborah Howell-Ardila was appointed to the Cultural Heritage Commission for a three-year term until 12/31/2014.

(Putnam, Joe)

**APPROVAL OF PROPOSED
SEWER AND WATER
RATES, SET A PUBLIC
HEARING DATE ON
MARCH 7, 2012, AND
APPROVAL OF THE
PUBLICATION OF THE
PROPOSITION 218 NOTICE
FOR SEWER AND WATER
RATES**

Finance Director Thai presented the staff report on the proposed sewer and water rates, accompanied by PowerPoint slides. He distributed copies of the slides. He and Interim City Manager Gonzalez responded to questions.

On a request by Mayor Cacciotti, Finance Director Thai and Interim City Manager Gonzalez agreed to return at the February 15, 2012, meeting with a report on the results of research into obtaining additional bonds for water capital projects.

Kim Hughes, 1956 Huntington Drive, Natural Resources and Environmental Commission and Water Council, supported the water rate increase. She said the area is experiencing the lowest snowpack

since 1965. She supported a tiered water-rate structure. She made related comments, including current efforts to hire a water conservation coordinator, the need to consider financial support for low-income customers, and the importance of evaluating water infrastructure, including reservoirs.

Diana Mahmud, 1602 Camden Parkway, in reference to the proposed water-rate increase, said that since the Water Council has not met since May 2011, it has not formed an opinion on these proposed rates. Although she is in favor of increasing rates, she said she does not support this proposal. The City should implement an automatic "pass along" cost when the wholesale cost of water increases, she said, and she favors utilizing this formula rather than a fixed-rate model. She said the Water Council suggests that a provision for low-income customers be included in the water rates.

Carrie Adrian, 602 Garfield Avenue, Chair, Finance Committee, said it is crucial to maintain the City's debt rating. The City must borrow in order to complete capital projects, she said.

Finance Director Thai responded to additional questions. The "pass along" concept was discussed, and due to time constraints, there was agreement that this would be considered at a later time (January). Mayor Pro Tem Putnam said that at this meeting he expected to be evaluating water budget models. Interim City Manager Gonzalez said staff would return with sample models using average parcel size, usage, household size, etc.

After Councilmember Joe made a motion to approve staff recommendations, Mayor Pro Tem Putnam made a motion to sever the water rate issue from the sewer rate issue in order to vote on them separately. No objections were voiced.

By roll call vote (4 ayes; 1 absent, Councilmember Khubesrian), the City Council approved the proposed sewer rates; set a public hearing date for March 7, 2012, to consider the proposed sewer rates; and approved the publication of the Proposition 218 notice for 2012-2016 sewer rates.

(Joe, Schneider)

By roll call vote (3 ayes; 1 no, Mayor Pro Tem Putnam; 1 absent, Councilmember Khubesian), the City Council approved the proposed water rates; set a public hearing date for March 7, 2012, to consider the proposed water rates; and approved the publication of the Proposition 218 notice for 2012-2016 water rates. The City Council directed staff to provide a report on water budgeting models prior to the next rate increase, and in time to implement changes for the next year. Mayor Cacciotti proposed an amendment, which was approved by the maker and the seconder of the motion, to direct staff to incorporate the automatic "pass along" of wholesale water rate increases as an option for the City Council to assess; and for staff to incorporate a low-income provision in the water rates for the City Council to consider.

(Joe, Schneider)

**CONSIDERATION OF
INITIATING A GENERAL
PLAN AMENDMENT AND
ZONE CODE AMENDMENT
FOR THE OSTRICH FARMS
FOCUS AREA**

Due to the later hour, Mayor Pro Tem Putnam suggested continuing the item but allowing members of the public to speak. Without opposition, Mayor Cacciotti said the item would be taken up briefly, the public would be invited to speak, and the item would then be continued to the next meeting.

Planning and Building Department Director Watkins presented the staff report on possibly initiating a General Plan Amendment and Zone Code Amendment for the Ostrich Farms Focus Area. He responded to questions.

Dwight Bond, 1010 Sycamore, #208, who said he lives in the Ostrich Farms area and owns an architectural firm. Between the Ostrich Farms and Charlie's Coffee House, he said he would like to see a variety of mixed uses. He said the road needs repair from the freeway to Monterey Road. This entrance to the City needs major improvement, he said.

David Margrave, 928 Buena Vista Street, distributed two reports to the City Council on the Ostrich Farm Focus Area. He said the Planning Commission recommended that mixed use be added to allowable uses in the Ostrich Farm Area. He urged the City

Council to add mixed use, which he said would lead to improvements in the area and meet the need for housing. He responded to questions.


Planning and Building Department Director Watkins responded to questions. Mayor Cacciotti requested that extensive notice be provided when this issue is next considered. The item was continued.

**PROVIDE DIRECTION
REGARDING AMEND-
MENTS TO THE MUNICI-
PAL CODE RELATED TO
PENALTIES FOR
VIOLATIONS OF THE
TREE ORDINANCE**

Due to the late hour, this item was postponed.

ADJOURNMENT

By consensus, the meeting adjourned at 11:16 p.m.


Sally Kilby
City Clerk


Michael A. Cacciotti
Mayor